



Focus on Reform

L&I's five high-priority projects

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The Department of Labor and Industries has one of the most critical missions in state government – providing medical care and partial wage replacement for injured workers. The workers' compensation system is basically sound but L&I recognizes that substantial improvements can be made in the way it operates. As a focus for making improvements, the agency has five high-priority projects under way aimed at:

1. Returning injured workers to their jobs as quickly as possible;
2. Improving the speed, fairness and quality of workers' compensation processes;
3. Preventing workplace injuries and illnesses;
4. Involving employers earlier and more often in L&I processes; and
5. Increasing efforts to detect and eliminate fraud and abuse by workers, employers and providers.

Why are you focusing efforts in these five areas?

We've been listening to our customers, the employers and workers who pay into the workers' compensation system and receive its benefits. Both workers and employers have told us they want three things from the worker' compensation system: fairness in dealing with claims, speed in processing claims and excellent communication with L&I. In addition, many of our customers have asked us to boost our emphasis on fighting fraud and abuse.

Does this mean that other functions of the department will be de-emphasized?

No. L&I has many responsibilities. We take them all seriously and give them the attention they deserve. These projects will be given top priority within the agency. We will be spending staff time and other resources necessary to make significant improvements in all these areas.

What will you be doing to return workers to the job sooner?

We have a new effort under way. Here's how it works: when an injured worker has been off work for 14 days, his or her claim is automatically referred to a return-to-work intervention team located in one of L&I's field offices. The team will make contact as soon as possible with the injured worker as well as his or her employer and health-care provider. The idea is to promote early return-to-work options, such as having the worker do a light-duty job until fully recovered or arranging for some kind of job modification such as providing a lifting device.

What will you be doing to increase speed, fairness and accuracy of workers' compensation processes?

We have many efforts under way. L&I is making decisions and communicating its decisions much more quickly. For example, we authorize or deny physical therapy requests within a matter of hours, rather than days and sometimes weeks. Our phone system has been changed to ensure that an injured worker or employer can call us and talk to a real person rather than voice mail. We are improving the efficiency of vocational rehabilitation by paying for results, emphasizing return to work. We have changed the process for allowance of occupational disease claims, which means we can approve surgery requests faster, thus greatly hastening the treatment and healing process. We are assigning the top 100 employers (in terms of premiums paid) to specific claim managers in one unit. We also are assigning claims from specific geographic areas to specific claim units. This will allow employers, L&I

field office staff and claim managers to communicate on a regular basis. All will be able to better understand the needs and concerns of the others.

What else will you be doing to prevent workplace injury and illness?

L&I currently has safety consultants who help employers avoid unsafe workplaces. We are looking at increasing efforts. The basic idea is: employers are entitled to a package of prevention services. Depending on the specific needs of the employer and particular workplace, the package includes a review of workplace injuries, illnesses and workers' compensation claims with an assessment of losses and information on how to control claim costs. It would include on-site reviews of workplace hazards, with recommendations for and assistance in preventing injuries. The agency also has inspectors who investigate workplace accidents and complaints.

What will you be doing to increase early communication with employers?

Employers have told us that they often don't know when a claim has been filed by one of their employees. We are making sure we notify an employer immediately when a time-loss claim has been filed. Also, a key account manager now is assigned to each employer account. This account manager will maintain an ongoing business relationship with employers. Among other things, the account manager will look for trigger events such as a fatality or recent increases in the number of claims. The manager would identify employers who could best benefit from prevention services.

What else are you going to do to combat fraud and abuse?

We all need to do everything we can to eliminate fraud and abuse of the workers' compensation system. That means early detection and denial of fraudulent claims, making sure all employers pay the premiums they owe, and pursuing health-care providers who overcharge. Here are our plans:

- Persons willfully abusing the system will be referred to a prosecutor and charged with fraud.
- For cases not rising to the level of fraud, we are using our strongest appropriate administrative remedies, such as asset seizures, assessments, penalties, suspension of contractor's registration, and using prime contractor liability
- For employer fraud and abuse, we will be using existing data to target our efforts.
- For provider fraud and abuse, we will identify high-cost medical services and implement pre-pay review of the services and bills. We will identify providers with questionable practices and enhance our process to provide a review.
- For injured-worker fraud and abuse, we are tightening our system between the field and central office in terms of investigations. Expectations and assignments are clear and claim managers and employers are given a series of red flags within the claim process that aid in identifying actions or behaviors that are called into question.

Where can I learn more about L&I's efforts?

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